IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

IN RE: DEALER MANAGEMENT SYSTEMS ANTITRUST LITIGATION

MDL No. 2817 Case No. 18-cv-00864

This Document Relates To:

Hon. Robert M. Dow, Jr.

ALL PENDING CASES

Magistrate Judge Jeffrey T. Gilbert

PUBLIC REDACTED

MDL PLAINTIFFS' CORRECTED RESPONSES TO
DEFENDANTS CDK GLOBAL, LLC'S AND THE REYNOLDS AND REYNOLDS
COMPANY'S JOINT STATEMENT OF COMMON UNDISPUTED MATERIAL FACTS
IN SUPPORT OF THEIR MOTIONS FOR SUMMARY JUDGMENT

ACA Motors, Inc., d/b/a Continental Acura; Baystate Ford Inc.; Cherry Hill Jaguar; Cliff Harris Ford, LLC, d/b/a Warrensburg Ford; Continental Autos, Inc., d/b/a Continental Toyota; Continental Classic Motors, Inc., d/b/a Continental Autosports; 5800 Countryside, LLC, d/b/a Continental Mitsubishi; HDA Motors, Inc., d/b/a Continental Honda; H & H Continental Motors, Inc., d/b/a Continental Nissan; JCF Autos LLC, d/b/a Stevens Jersey City Ford; Jericho Turnpike Sales LLC, d/b/a Ford & Lincoln of Smithtown; Marshall Chrysler Jeep Dodge, L.L.C., d/b/a Marshall Chrysler Jeep Dodge Ram; Naperville Zoom Cars, Inc., d/b/a Continental Mazda; NV Autos, Inc., d/b/a Continental Audi; Patchogue 112 Motors, LLC, d/b/a Stevens Ford; Waconia Dodge, Inc.; Warrensburg Chrysler Dodge Jeep, L.L.C., d/b/a Warrensburg Chrysler Dodge Jeep Ram Fiat (collectively, "Dealership Class Plaintiffs") and Authenticom, Inc., Loop, LLC d/b/a AutoLoop, and Motor Vehicle Software Company ("MVSC") (collectively, "Individual and Vendor Class Plaintiffs") respond as follows to Defendants CDK Global, LLC's ("CDK") and The Reynolds and Reynolds Company's ("Reynolds") (collectively, "Defendants") Joint Statement of Common Undisputed Material Facts In Support of Their Motions for Summary Judgment (Dkt. 974) ("DJ SUF"). By conceding that a fact is undisputed pursuant to Local Rule 56.1, MDL Plaintiffs do not concede any argument regarding the admissibility or sufficiency of any specific evidence, the materiality of any fact asserted, or the legal significance of any fact or evidence. MDL Plaintiffs expressly reserve their right to challenge any fact or evidence Defendants proffer at trial regardless of whether they are disputed in these Responses. See, e.g., Brown v. Navarro, 2012 WL 3987427, at *3 (N.D. Ill. Sept. 11, 2012).

¹ The foregoing, including all Dealership Class Plaintiffs as well as the Individual and Vendor Class Plaintiffs, are referred to collectively herein as "MDL Plaintiffs."

MDL PLAINTIFFS' RESPONSES²

Reynolds is an Ohio corporation, with its corporate headquarters in Ohio. Dkt. 225
 (Reynolds Answer to Auth. Compl.) ¶ 21; Dkt. 522 (CDK Answer to Dealer Compl.) ¶ 52; Dkt.
 514 (CDK Answer to AutoLoop Compl.) ¶ 32.

RESPONSE: Undisputed.

2.	The E	RA DMS was	develope	d by Rey	nol	ds in the late 1980s. ERA also has an
enhanced	graphical	user-interface	version	known	as	"ERA-IGNITE."
						18 (2 (8) 2)
	_					

RESPONSE: Undisputed.

3. Reynolds natively developed the ERA DMS software code from the ground up. Ex. 107, 5/19/20 K. Hall Decl. ¶¶ 4, 8. In developing and programming the ERA DMS code, Reynolds chose between myriad available options to arrange and organize the code; myriad methods of programming specific functions and features; and myriad options for naming specific objects, functions, and processes within the code. *Id.* ¶¶ 4-8. Similarly, Reynolds chose from many possible

² Unless otherwise noted as "DEALERSHIP CLASS PLAINTIFFS RESPONSE" or "INDIVIDUAL AND VENDOR CLASS PLAINTIFFS RESPONSE" all responses, whether prefaced by the word[s] "RESPONSE" or "JOINT MDL PLAINTIFFS RESPONSE" should be considered joint responses from MDL Plaintiffs.

³ "Auth. Dkt." refers to docket entries in *Authenticom, Inc. v. CDK Global, LLC, et al.*, No. 3:17-cv-00318 (W.D. Wisc.). For the Court's convenience, copies of cited docket entries are included as exhibits.

alternatives in naming and organizing the data fields in the Reynolds DMS; while most franchised-dealer DMS products store broadly similar types of data, their naming and organization conventions do not map on to one another. Ex. 328, Lamb Tr. 187:9-12.

RESPONSE : Disputed in part. Undisputed that Reynolds developed and program	ıed
software code for its ERA DMS. Disputed insofar as Reynolds did not "natively develop[]" all	of
the "functions and features" of the ERA	
4.	
Ex. 105, R. Lamb Decl. [Auth. Dkt. 98] ¶ 3.	
RESPONSE: Undisputed.	
5.	

RESPONSE:
WEX 3, Cottrell 7/28/2020 Decl., ¶ 3.
In 2001. Designated a management to manage third marty integration with the
6. In 2001, Reynolds created a program to manage third-party integration with the Reynolds DMS, initially called the "Performance Path," and later renamed the "Reynolds Certified
Interface" program in 2003. Ex. 104, R. Schaefer Decl. ¶ 30; Ex. 328, Lamb Tr. 78:5-13.
Ex. 100, Auth. P.I. Ex. 14 [Auth.
Dkt. 64-14].
RESPONSE: Undisputed.

7. To join the RCI program, a vendor must sign a license agreement requiring them to
describe their data uses and needs, adhere to Reynolds's data use policy, and agree to adhere to
federal data security laws and regulations.
RESPONSE: Disputed in part. Undisputed that vendors that join the RCI program mus
describe their "data uses and needs," but disputed that it accurately describes all the information
that vendors must provide to Reynolds to join the RCI program.
8.
Ex. 19, K. Hall Decl. (DX 1282) ¶¶ 23-25, 30.
RESPONSE: Disputed in part.

⁴ For clarity, all exhibits to the Declaration of Daniel Fenske (Dkt. 993) referenced by Defendants within Defendants Joint Statement of Common Undisputed Material Facts In Support of Their Motions for Summary Judgment (Dkt. 974) ("DJ SUF") are referred to in MDL Plaintiffs' responses with the prefix "FEX."

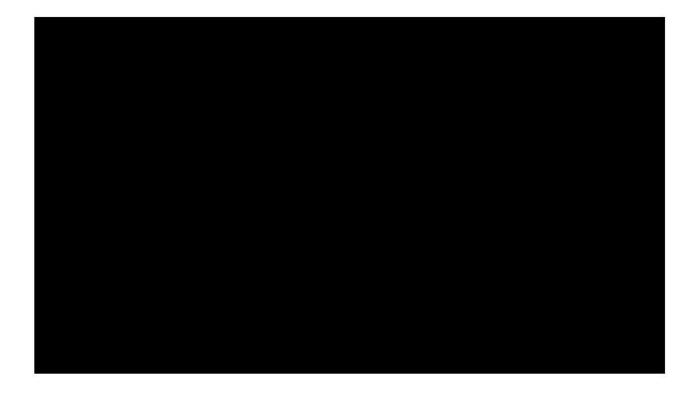
Additional Facts ("PJ SAF") ¶ 72.	See Plaintiffs' Statement of
9.	

RESPONSI	E: Disputed in part. U	Jndisputed that	
10.			
RESPONSE	E: Undisputed.		
11.			

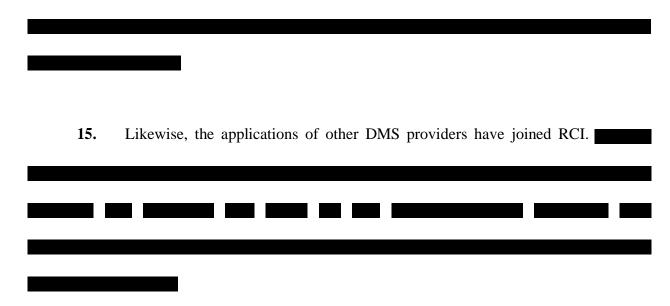
RESPONSE:	Undisputed.		
12.			
RESPONSE:			

13.	
MDL PLAINTIFFS JOINT RESPONSE	: Disputed in part.

INDIVIDUAL AND VENDOR CLASS PLAINTIFFS RESPONSE: Further disputed
that



14. Rey	iolds is software applications have joined the certified integration programs of
other DMS provide	rs besides CDK, including Autosoft's Flex Connect, Dealertrack's OpenTrack,
and Auto/Mate's C	penMate.
RESPONSI	E: Undisputed that in recent years Reynolds has joined the certification
programs of non-C	CDK DMS providers.



RESPONSE: Undisputed as to the specific applications set forth in the citations. Disputed insofar as Defendants' statement is intended to mean "all" applications of other DMS providers.

16. CDK was formed in October 2014 when Automatic Data Processing, Inc. ("ADP") spun off its Dealer Services division into a stand-alone, publicly traded company. Ex. 138, CDK-0000452 (CDK 10-K dated Aug. 9, 2016) (excerpt), at 457, 486 (spin-off "became effective" on Sept. 30, 2014, and common stock began trading under "CDK" symbol on Oct. 1, 2014). CDK is organized under the laws of Delaware, and its corporate headquarters are in Illinois. Dkt. 230 (CDK Answer to Auth. Compl.) 20; Dkt. 522 (CDK Answer to Dealer Compl.) 51; Dkt. 514 (CDK Answer to AutoLoop Compl.) 31.

RESPONSE: Undisputed.

⁵ ADP's former Dealer Services division is referenced herein as "ADP" when discussing events prior to the spinoff and "CDK" when discussing events after the spinoff.

17.	CDK's primary DMS product is called Drive. Ex. 296, Ayotte Tr. 209:14, 210:4-8.
Drive is a propr	rietary software system developed by CDK that includes five primary applications:
Sales, Account	ing, Parts, Service, and Finance and Insurance ("F&I"). Ex. 169, CDK-1996664
(2017 SOC-1 R	eport) at 9, 12.
RESPO	ONSE: Undisputed.
18.	
RESPO	NSE: Disputed in part.

1	19. Driv	ve is password	protected and	displays the f	following messa	age to the user at	the
login sc	reen:						
]	RESPONS	E: Disputed	in part. Undis	puted that CD	K began prese	nting users with	the
prompt	identified	in FEX 174					
		_					

20. CDK has developed processes to ingest raw data into a dealer's DMS, format and map the data as needed, and import that data into the relevant file or files (and relevant string or strings) in the DMS. CDK has also developed user interfaces so that DMS users can input or update data. Ex. 108, N. Rodrigues Decl. ¶ 4. Those interfaces validate and cleanse data, store the data, and push the data to the appropriate location on the DMS. *Id*.

RESPONSE: Objected to and disputed. Defendants rely solely on the declaration of Northon Rodrigues – which was filed along with Defendants' summary judgment papers – for the facts set forth in DJ SUF ¶ 20. Mr. Rodrigues was not on Defendants' initial Rule 26 disclosures; Plaintiffs therefore have not had an appropriate opportunity to challenge the facts asserted in DJ SUF ¶ 20. Moreover, Mr. Rodrigues's declaration points to no underlying records or documents

to substantiate his statements. *Hadley v. Du Page Cty.*, 715 F.2d 1238, 1243 (7th Cir. 1983) (reliance on a "bald assertion of the general truth of a particular matter" in an affidavit that fails to "cite specific concrete facts establishing the existence of the truth of the matter asserted" is insufficient to carry Defendants' burden at summary judgment); *Eskridge v. Chi. Bd. of Edu.*, 47 F. Supp. 3d 781, 796 n.12 (N.D. Ill. 2014) (disregarding a "conclusory statement" in an affidavit that "lack[ed] support in the record and factual foundation").

21. CDK has developed methods to query the DMS using "ENGLISH" or "ENG" Statements, a query language which users can enter through a command-line interface or through a program. Ex. 108, N. Rodrigues Decl. ¶ 5.

RESPONSE: Objected to and disputed. Defendants rely solely on the declaration of Northon Rodrigues – which was filed along with Defendants' summary judgment papers – for the facts set forth in DJ SUF ¶ 21. MDL Plaintiffs object to Defendants' reliance on Mr. Rodrigues's declaration for the reasons set forth in their Response to DJ SUF ¶ 20.

22.	
RESPONSE: Disputed in part.	

23. CDK's certified	third-party access ("3PA") program was created in 2000. Ex. 181,
CDK-2701801, Slide 4.	
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24. Vendors in the 3PA program enter into a standard written agreement with CDK called a Third Party Access Agreement (f/k/a Managed Interface Agreement) that gives them the right to use a trademarked "CDK Approved Interface" logo and, since at least 2006, has restricted them from receiving data sourced from the CDK DMS from outside the 3PA program once they

RESPONSE: Undisputed

begin to use a 3PA interface.
MDL PLAINTIFFS JOINT RESPONSE: Disputed in part.
MDD 1 Drift (1111 5 GOIL) REST OF 1821. Disputed in part.
INDIVIDUAL AND VENDOR CLASS PLAINTIFFS RESPONSE: Disputed in particular parti
Undisputed that vendors in the 3PA program can use a CDK approved logo.

25.	Vendor applications certified in the 3PA program receive "bi-directional" (write-
back) and rea	l-time integration with CDK DMSs through "Pre-Defined Integration Points," also
called "DIDs "	'which are configured to each application's requirements
canca 1115,	which are configured to each application's requirements
RESP	CONSE : Disputed in part. Undisputed that vendors in the 3PA program can pay for
	al" or "write-back" integration
or-directiona	in of write-back integration
-	
26.	Vendors have acknowledged benefits of "direct" integration through CDK's 3PA
	and the second s
program.	

RESPO	DNSE : Disputed.		

CDK acquired Digital Motorworks, Inc. in 2002 and later acquired IntegraLink

27.

29.

(collectively, "DMI") through its acquisition of the Cobalt Group in 2010. Ex. 296, Ayotte Tr.
236:4-10; Ex. 308, Distelhorst Tr. 20:11-24.
RESPONSE: Undisputed.
28.
RESPONSE: Disputed in part.
REST ONSE. Disputed in part.

RESPONSE : Objected to and disputed in part.

30.				
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RESPO	NSE: Disputed i	n part.		

31.
Ex. 92, S. Cottrell Reply
Decl. [Auth. Dkt. 143] ¶¶ 38-39 (noting that "Authenticom needs to run only a single bulk-date
query per day to provide data integration services to the vast majority" of its customers and only
100 of Authenticom's "more than 11,000" dealership customers needed data more than once pe
day);
RESPONSE: Disputed in part.
RESTONSE. Disputed in part.
32.
RESPONSE:

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33.		
RESPONSE: Disputed.		

34.	
A	Ex. 92, S. Cottrell Reply Decl. [Auth. Dkt. 143] ¶ 45 ("Nearly all of
DMS.");	does not 'push' data to the DMS but rather only reads data from the
	sputed.

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INDIVIDUAL AND VENDOR CLASS PLAINTIFFS RESPONSE:
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RESPONSE: Ur	ndisputed.		
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RESPONSE: D	isputed.		

41.		

42.
RESPONSE: Undisputed
43. Automated access by data extractors puts additional burden on a DMS.
MDL PLAINTIFFS JOINT RESPONSE: Disputed in part.

44.		
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RESPONSE: Objected to.

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43.			
DESDANSE	: Objected to and	disputed	
RESPONSE	a. Objected to and o	disputed.	

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RESPO	NSE : Objected	l to.		
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RESPONSE:			
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RESPON	SE : Objected to and dispute	ed.		
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RESPON	SE : Objected to and disput	ed.		
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51. Third parties that attempt to write data back into the DMS ("writeback") through
51. Third parties that attempt to write data back into the DMS ("writeback") through non-certified interfaces can cause data corruption issues.
non-certified interfaces can cause data corruption issues.
RESPONSE : Objected to and disputed in part. Objected to with regard to the admissibility
of FEX 45. See Plaintiffs' Response to DJ SUF ¶ 44.

52. CDK's DMS and Reynolds's DMS store consumer and dealership employee Personally Identifiable Information ("PII") and Sensitive Personal Information ("SPI") such as social security numbers, driver's license numbers, and financial information—as well as consumer names, addresses, emails, telephone numbers, and financial information. Ex. 19, K. Hall Decl. (DX 1282) ¶¶ 8-9; Ex. 91, R. Karp Decl. [Auth. Dkt. 136] ¶ 25.

RESPONSE: Disputed in part. Undisputed that the DMS can store the cited information.

53. Third-party data extractors access consumer PII and/or SPI maintained in the DMS
RESPONSE : Objected to and disputed. Objected to insofar as FEX 189 and FEX 246 are
inadmissible hearsay. See Plaintiffs' Response to DJ SUF ¶ 44.
madmissible hearsay. See I familities Response to DJ 501 44.

54. CDK's DMS and Reynolds's DMS include intellectual property and proprietary data that belongs to the DMS provider, OEMs, and other third parties. Ex. 338, Nielson Tr. 53:6-54:17; Ex. 19, K. Hall Decl. (DX 1282) ¶¶ 8-9; Ex. 91, R. Karp Decl. [Auth. Dkt. 136] ¶¶ 25, 28.

RESPONSE: Disputed in part. Undisputed that CDK's DMS and Reynolds's DMS include intellectual property and proprietary data that belongs to the DMS provider, OEMs, and

other third parties.			
55.			
RESPONSE:			
56.			

	RESPO	ONSE: Disputed.
		51.6 <u>5</u> .65
	57.	Some industry participants have expressed concern that data extractors sell data
	31.	Some maistry participants have expressed concern that data extractors sen data
obtain	ed from	DMSs.

RESPONSE:	Objected to and disputed.	

58.	
DEALF	ERSHIP CLASS PLAINTIFFS RESPONSE: Objected to.

59.	Some third parties attempted to provide data extraction and writeback services by
installing the	eir own code on CDK's DMS.
DEC	DONSE.
KES.	PONSE:

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60. U corruption.	nauthorized code on a DMS, also referred to as "code-on-the-box," can cause data
RESPO	NSE: Objected to and disputed in part.
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61. D	ata security is important to the automotive industry.
Ex. 22	2, REYMDL00025313 (a 2006 Automotive News article reports that "[p]roblems
arise when deale	erships lose track of which vendors they have granted access to their computer
systems. Some v	endors have continued to extract information from dealership computer systems

long after contracts have expired. And the very nature of the hostile interface can cause . . . dealership systems to slow down, lock up and corrupt data"); Ex. 143, CDK-0207700 at 701 (a December 2014 article in The Banks Report states that "[i]t's no secret in the automotive retail world that dealers are vulnerable to attacks"); Ex. 137, CDK-0000309 at 309-10 (2013 National Automobile Dealers Association memorandum on "Dealer Data Guidance").

RESPONSE: Objected to and disputed in part. Objected to insofar as the assertion is so vague as not to be susceptible of a specific response. Undisputed that data security is important to the automotive industry, including to dealers and data integrators. Disputed to the extent Defendants suggest that dealers' use of independent integrators increases the risk of a data breach. Over two decades, no independent integrator has caused a security or data breach at any automotive dealership. See PJ SAF ¶ 16.

62. Some dealers adopted policies that restrict or prohibit third-party access to their licensed DMS.

RESPONSE: Disputed in part.	

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63. On August 28, 2013, the National Automobile Dealers Association ("NADA") issued a "Dealer Data Guidance" memorandum to dealers advising them that "[d]ealers collect a large volume of information from their customers in their day-to-day operations, with much of that information categorized under federal law as highly sensitive 'non-public personal information' or 'NPPI.'... This is important because the information's status as NPPI means that the dealer is subject to several obligations under federal law to protect and maintain its privacy. [T]his customer and other sensitive data (together 'Dealer Data') raises difficult and sensitive issues for dealers that they must understand when they enter into contracts that could allow access to Dealer Data." Ex. 137, CDK-0000309 at 309-10. The memorandum further advised dealers to "[c]onsider implementing a strict data 'push' system for sharing data . . . This means that you would only share data with third parties by gathering it, and sending it to them, rather than allowing them to 'take' it by accessing your systems." *Id.* at 321.

RESPONSE : Disputed in part. Undisputed that on August 28, 2013, NADA issued a
"Dealer Data Guidance" memorandum and that it contains that cited statements; that document
speaks for itself. Disputed to the extent Defendants omit relevant portions of the Dealer Data
Guidance that specifically address dealers' use of vendors that access the DMS; rather than urging
dealers not to use those vendors, NADA instead urges dealers to "conduct due diligence when
selecting a service provider" and to "audit and monitor their access to ensure they are not in breach
of [] contractual restrictions." FEX 137, CDK-0000309 at 313-314.

64. A follow-up issued by NADA in 2014 encouraged dealers to "no longer allow vendors to access your systems directly for any reason" and to "work with your DMS provider to ensure proper controls and reporting." Ex. 206, NADA-100234.

RESPONSE: Disputed in part. Undisputed that the 2014 NADA document contains the quoted language; that document speaks for itself.

65. Dealers license DMS software from CDK or Reynolds, and the scope of a dealer's rights to that software are controlled by the terms of the DMS license agreement they sign. Ex. 170, CDK-2045637 (CDK Master Services Agreement) § 4(A) ("Client acknowledges that the

Products and Services . . . are and shall remain the exclusive and confidential property of CDK or the third parties for which CDK has obtained the right to use such CDK Products and Services, and that all CDK Products and Services are only licensed to Client during the term thereof."); Ex. 253, REYMDL00677044 (Reynolds Master Agreement) §1 ("Reynolds . . . retains all proprietary rights in the Licensed Matter . . . including copyrights, patents and trade secrets."); Ex. 234, REYMDL00131387 (Defined Terms) (defining "Licensed Matter").

RESPONSE: Objected to and disputed in part. Objected to insofar as the dealer's rights to the DMS software calls for a legal conclusion and is inappropriate for a Rule 56.1 statement. *See Judson Atkinson Candies, Inc. v. Latini-Hohberger Dhimantec*, 529 F.3d 371, 382 n.2 (7th Cir. 2008) ("It is inappropriate to make legal arguments in a Rule 56.1 statement of facts."); *Gonzalez v. J. Salerno & Son, Inc.*, 2018 WL 1384106, at *2 (N.D. Ill. Mar. 19, 2018) (same).

Undisputed that some dealers license DMS software from CDK or Reynolds pursuant to a license agreement. Disputed insofar as Defendants suggest that dealers' rights to access and use their own data is "controlled" by the terms of the DMS license agreement; that is a legal question that is not appropriate for a Rule 56.1 statement.

66. The Reynolds Master Agreement does not authorize dealers to sublicense the Reynolds DMS, grant access to or share the DMS with any third parties, or connect any third-party software to the Reynolds DMS without Reynolds's express written permission. These restrictions have been in place for more than 12 years.

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RESPONSE: Objected to and disputed.	

			calls for a leg	gal conclusion. Se	e Judson Atkinson
Candies, Inc. v	. Latini-Hohberg	ger Dhimanted	c, 529 F.3d 3'	71, 382 n.2 (7th	Cir. 2008) ("It is
inappropriate to	make legal argu	ments in a Rul	e 56.1 stateme	nt of facts."); Gor	nzalez v. J. Salerno
& Son, Inc., 20	18 WL 1384106,	at *2 (N.D. Ill	. Mar. 19, 201	8) (same).	
67. S	Since the 1990s,	CDK's standa	ard DMS cont	ract, known as th	e Master Services
Agreement, has	"bar[red] dealers	s from granting	g access to thir	d parties."	

RESPONSE: Objected to and disputed. Objected to because the question of whether CDK's DMS contract bars dealers from granting access to third parties calls for a legal conclusion that is inappropriate for a Rule 56.1 statement. *See Judson Atkinson Candies, Inc. v. Latini*

Hohberger Dhimantec, 529 F.3d 371, 382 n.2 (7th Cir. 2008) ("It is inappropriate to make legal arguments in a Rule 56.1 statement of facts."); Gonzalez v. J. Salerno & Son, Inc., 2018 WL 1384106, at *2 (N.D. Ill. Mar. 19, 2018) (same).

68.

RESPONSE: Objected to and disputed. Objected to insofar as Defendants rely on FEX 10 (DX 1710), which is inadmissible hearsay as offered by Defendants. Fed. R. Civ. P. 56(c)(2). Further objected to because FEX 10 lacks foundation insofar as it purports to describe CDK's views and purports to state a legal opinion. *See Judson Atkinson Candies, Inc. v. Latini-Hohberger Dhimantec*, 529 F.3d 371, 382 n.2 (7th Cir. 2008) ("It is inappropriate to make legal arguments in a Rule 56.1 statement of facts."); *Gonzalez v. J. Salerno & Son, Inc.*, 2018 WL 1384106, at *2 (N.D. Ill. Mar. 19, 2018) (same).

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RESPONSE: Undisputed.

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RESPONSE: Undisputed.
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RESPONSE: Undisputed.
78.
RESPONSE: Undisputed.
79. Authenticom has never entered into a license agreement with Reynolds or CDK to use of any of their respective DMS software. Ex. 102, H. Gardner Decl. [Auth. Dkt. 93] ¶ 27; Ex
327, Kirby Tr. 161:11-166:25; Ex. 318, Hembd Tr. 120:22-121:16; Ex. 303, Clements Tr. 99:22-103:16; Ex. 301, Brown 30(b)(6) (Authenticom) Tr. 200:11-203:8. Authenticom has never paid any money or provided other consideration to Reynolds or CDK for use of their respective DMS
software. Ex. 303, Clements Tr. 101:19-103:12. RESPONSE: Disputed in part.

80. At the time of the 2006 merger between UCS and Reynolds, UCS's POWER DMS
had a reputation within the industry as a secure, closed DMS platform.
and a reputation within the industry as a secure, crosed Divis platform.
RESPONSE: Disputed in part. Undisputed that, prior to the 2006 merger, UCS had a
reputation within the industry as being relatively more closed to access by data integrators and
third parties. Undisputed that, after the merger, Reynolds began to take steps to interrupt access by
data integrators and thus become a more "closed" system.

81. By	no later than 2006, Reynolds had	decided to (1) restrict third-party access	s to its
		ner through manual-dealer-push or moni	itored,
certified integration	on.		
RESPONS	SE: Objected to and disputed in p	part.	

82.	
RESPONSE: Undisputed.	
83. Prior to September 2013, Reynolds had implemented multip	le technical measures
designed to prevent automated access to its DMS by data extractors and	d other third parties,
including:	

RESPONS	E: Disputed in part.		
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84.			

RESPO	ONSE : Objected to and disputed in part. Objected to because the statements in the statement in the
	re inadmissible hearsay as offered by Defendants. Fed. R. Civ. P. 56(c)(2). uted that the cited exhibits contain the quoted statements.

85.		
RESPONSE: Disputed	in part.	

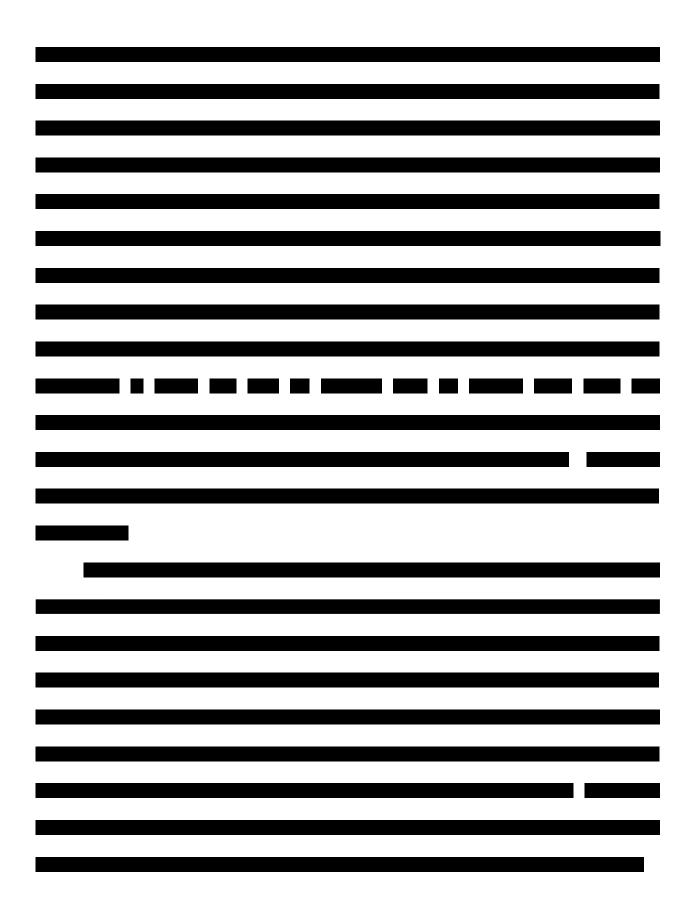
86.		
RESPONSE: Und	lisputed.	
87.		

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8	8.	Since 2006, Reynolds has not reconsidered its decision to prohibit unauthorized
third-par	ty acc	ess to its DMS.

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90.				

RESPONSE:	Objected to in part and disputed.
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94. Superior Integrated Solutions ("SIS") historically provided data extraction services on the Reynolds and CDK DMSs, but does not offer its own DMS. Ex. 298, Battista 30(b)(6) (SIS) Tr. 7:12-8:4, 71:21-72:15, 332:2-333:334:1.

RESPONSE: Undisputed.

95. In 2012, Reynolds sued SIS in United States District Court (S.D. Ohio) alleging:(1) violations of the Copyright Act, 17 U.S.C. § 101 et seq.; (2) violations of the Computer Fraud 87

and Abuse Act, 18 U.S.C. § 1030 *et seq.*; and (3) tortious interference with Reynolds's DMS contract, which "prohibits customers from allowing third party integrators like SIS to access or to interface with the ERA DMS without Reynolds' consent." Ex. 89, REYMDL00015586 (Complaint) ¶¶ 23-57. The court dismissed SIS's antitrust counterclaims and held that Reynolds's DMS contracts prohibit third-party access. *See The Reynolds & Reynolds Co. v. Superior Integrated Sols., Inc.*, 2013 WL 2456093, at *2 (S.D. Ohio June 6, 2013).

RESPONSE: Undisputed that Reynolds sued SIS, in November 2012, in the United States District Court for the Southern District of Ohio. The pleadings and resulting court opinion regarding Reynolds's motion to dismiss speak for themselves.

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RESPONSE:		

RESPON	SE: Undisputed	1.		
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RESPONSE: Undisputed. 116.		
116.		
RESPONSE: Undisputed.		
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minimal disruption to its dealer customers and other third parties.

118.

The 2015 Agreements allowed Reynolds to reduce hostile access to its DMS with

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119. Under section 4.3 of the DEA, DMI and IntegraLink were permitted to continue to access and extract data from Reynolds DMSs in a monitored fashion "without interruption from Reynolds security enhancements" during a "Wind Down Period," defined in section 1.4 of the DEA as "beginning on the Effective Date of this Agreement and concluding on the later of: (i) the end of the current term of such DMI Third Party Client's agreement with DMI... up to a maximum

of one year," with some exceptions, or (ii) May 13, 2015. The "Wind Down Period" was subject to extension by Reynolds, at its discretion, not to exceed five years from the Effective Date of the DEA. Ex. 49, PX 33 (CDK-0000001) §§ 1.4, 4.3.

RESPONSE: Undisputed that the quoted language appears in the DEA, the interpretation of which raises a matter of law

120. Under section 4.1 of the DEA, during this wind-down period, CDK agreed to "reasonably cooperate with Reynolds' efforts, if any, to have DMI [vendor clients] execute agreements to become part of the Reynolds RCI Program." Ex. 49, PX 33 (CDK-0000001) § 4.1.

RESPONSE: Disputed in part. Undisputed that the quoted language appears in the DEA, the interpretation of which raises a matter of law. Disputed to the extent that Defendants mischaracterize the DEA by omitting other portions of the agreement, including § 4.4, which also requires CDK to "reasonably assist and cooperate with Reynolds, with respect to: (1) communication with DMI Third Party Clients, Their Reynolds Dealer customers, and the automotive industry in general during the Wind Down Period; (2) Reynolds' development and testing of interfaces for DMI Third Party Clients Who choose to join the Reynolds RCI Program: and (3) The transition of such customers to the Reynolds RCI Program with Respect to Reynolds Dealers.

121. Under section 4.2 of the DEA, CDK agreed to inform DMI clients that it intended to "wind down" its "Reynolds DMS related integration and does not intend to extend service for such integration beyond the current primary term of its agreement" with each client. Ex. 49, PX 33 (CDK-0000001) § 4.2.

RESPONSE : Disputed in part. Undisputed that Section 4.2 of the DEA – titled "Third-
Party Communications" - contains the quoted language, the interpretation of which raises a
question of law. Disputed to the extent that Defendants mischaracterize the DEA by omitting other
portions of the agreement, Section 4.2 also obligated CDK to "express[] words to the effect that
CDK looks forward to doing its part to ease each CDK Third Party Client's transition way from
CDK's integration with respect to dealers using the Reynolds DMS" and (2) to provide Reynolds
with "contract information" for CDK's vendor clients "for purposes of any inquiries regarding the
Reynolds Certified Interface ('RCI') program." FEX 49, PX 33 (CDK-0000001), § 4.2.

122. Pursuant to section 4.3 of the DEA, CDK agreed to provide "a list of Reynolds

Dealers System Numbers and the DMS User Logins being used by CDK for each Dealer for whom such Interim Solution is needed; and (ii) the information described in Exhibit DEA-2" for DMI Third Party Clients. Ex. 49, PX 33 (CDK-0000001) § 4.3, Ex. DEA-2.

RESPONSE: Undisputed that Section 4.3 contains the quoted provisions, the interpretation of which raises a matter of law. Disputed to the extent that Defendants mischaracterize the DEA by omitting other portions of the agreement. Section 4.3 provision also provided that CDK was entitled to "continue providing its integration services through DMI in accordance with its contracts without interruption from Reynolds security enhancements" and that Reynolds "shall not take measures to block or otherwise disrupt DMI's normal Reynolds DMS access during such Wind Down Period." FEX 49, PX 33, CDK-0000001, § 4.3.

123. Under section 4.5 of the DEA, CDK and Reynolds agreed not to "sell, transfer or assign to any affiliate or third party any technology, business process, or other such knowledge regarding integration with the other party's DMS or take any other steps to assist any person that it reasonably believes to have plans to access or integrate with the other party's DMS without the other party's written consent." Ex. 49, PX 33 (CDK-0000001) § 4.5.

RESPONSE: Undisputed that Section 4.5 contains the quoted language, the interpretation of which raises a matter of law. Disputed to the extent that Defendants mischaracterize the DEA by omitting other portions of the agreement. Section 4.5 also provided: "For the avoidance of doubt, this Section 4.5 is not intended as a 'covenant not to compete,' but rather as a contractual restriction of access and attempted access intended to protected the operational and data security integrity of the Reynolds DMS and the CDK DMS and protection of intellectual property." FEX 49, PX 33, CDK-0000001, § 4.5. Section 4.5's "contractual restriction of access" never expires.

Id. § 6.1 ("With the exception of the obligations set forth in sections 4.5 [Prohibition on Knowledge Transfer and DMS Access] . . . this Agreement shall terminate at the end of the Wind Down Period.").

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RESPONSE: Undisp	puted.		
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128. Pursuant to the 3PA Agreement, nine Reynolds applications—Naked Lime Web,

Naked Lime Marketing, Reminder Trax, iMakeNews, xTream, AIM Data, KeyVault, KeyTrack,

and KeyRegister—became eligible for the 3PA program. Ex. 50, PX 34 (CDK-0000014), Exs.

3PA-B & 3PA-C.

RESPONSE: Undisputed.

129. Under sections 3(a)-(b) of the 3PA Agreement, CDK waived 3PA fees for Reynolds

applications for up to 600 CDK dealership rooftops, for five years (the "No Fee" term). At the

conclusion of the five-year "No Fee" term and, additionally, for any rooftops served by Reynolds

applications during the "No Fee" term above the 600 rooftop "cap," Reynolds agreed to pay CDK's

standard 3PA fees for installation and monthly services. Ex. 50, PX 34 (CDK-0000014) § 3.

RESPONSE: Undisputed that the 3PA agreement contained the "No Fee Term" provision,

which states that "CDK shall not charge [Reynolds] any fees under this Agreement" up to the 600-

dealer cap. FEX 50, CDK-0000014 (PX 34) § 3(a).

130.

RESPONSE: Undisputed.

121

131. Pursuant to the RCI Agreement, seven CDK applications—Cobalt, MenuVantage, PartsVoice, F&I Results, Lot Management, DLS Accelerator, and Performance 20—became eligible for the RCI program. Ex. 51, PX 35 (CDK-0000040), Exs. RCI A1-A7.

RESPONSE: Undisputed.

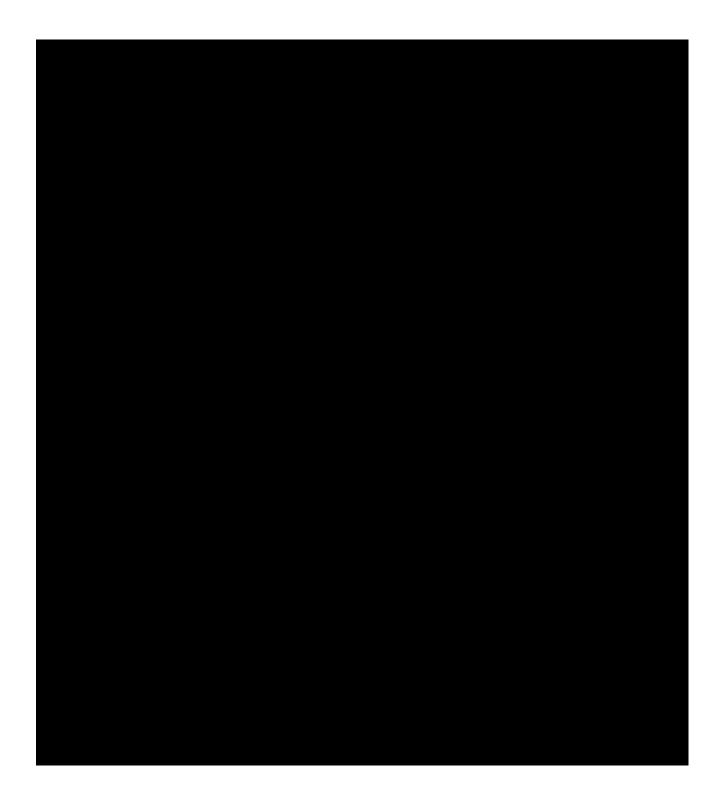
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RESPONSE: Undisp	puted.		
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RESPONSE: Undisputed that the documents contained the quoted statements.

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RESPONSE:			
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141. In 2	2007, ADP DMSs were maintained by dealers on-site (or "on premises") and
third parties access	ed the DMS using dealer-provided modems,
RESPONS	E: Objected to and disputed in part. Undisputed that, in 2007, CDK DMSs
were maintained b	by dealers on-site and that third parties connected through dealer-provided
modems.	
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142. In approximately 2008 and 2009, ADP began migrating its DMS software to a
"hosted" environment in which CDK maintained each customer's DMS on servers operated by
CDK.
RESPONSE : Disputed in part. Undisputed that, in 2008 or 2009, CDK migrated to
"hosted" servers.

143.		

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RESPONSE : Objected to and disputed in part. Objected to insofar as the statements cited in FEX 164 and FEX 157 are hearsay as offered by Defendants. Fed. R. Civ. P. 56(c)(2).
148.

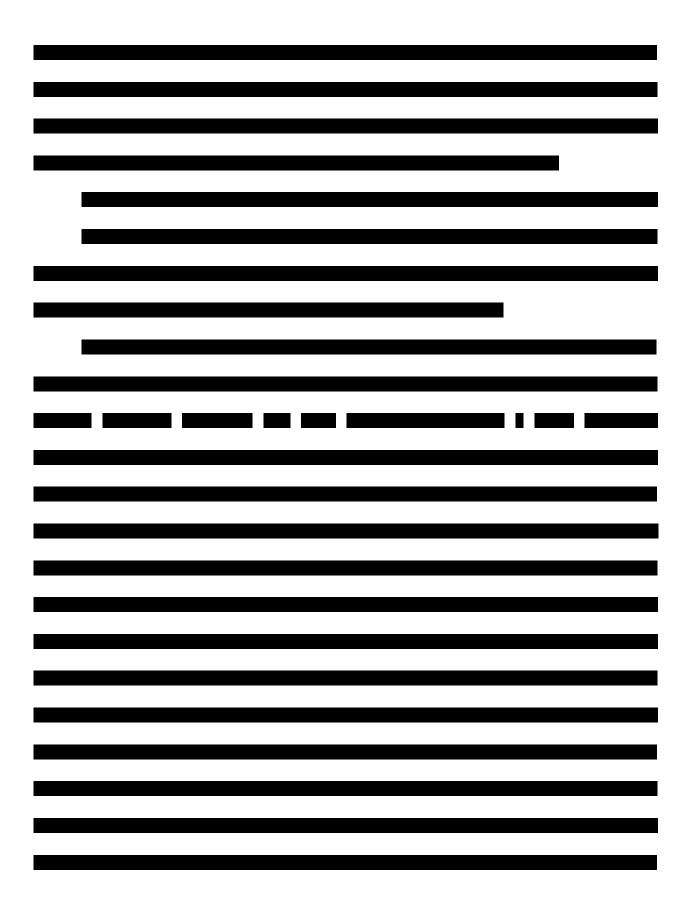
RI	ESPONSE: Undisputed.	
14:	9.	

	Malcolm Thorne was selected to serve as CDK's Chief Global Strategy Officer summer 2014 and continuing after the spinoff. Ex. 354, Thorne Tr. 27:19-28:3. PONSE : Undisputed.
151.	
RESP	PONSE:

152.	

153. On April 10, 2014, ADP publicly announced the spinoff. Ex. 190, CDK-299055
RESPONSE: Objected to in part. Undisputed as to the first sentence. Objected to insofa
as the quoted statement in FEX 188 is hearsay as offered by Defendants. Fed. R. Civ. P. 56(c)(2
154. An SEC Form 10 filed on June 10, 2014, for "Dealer Services Holdings LLC
identifies the following Risk Factors, among others, for CDK following its spinoff:
Additionally, concerns regarding data privacy may cause our clients, or their customer and potential customers, to resist providing the data necessary to allow us to deliver our solutions effectively. Even the perception that the privacy of personal information is not satisfactorily protected or does not meet regulatory requirements could inhibit sales of our solutions and any failure to comply with such laws and regulations could lead to significant fines, penalties or other liabilities. Moreover, if our security measures are breached an unauthorized access is obtained to confidential information, our solutions may be perceived as not being secure and our clients may curtail or stop using our solutions and/or vendor may curtail or stop providing their solutions to us. Any failure of, or lack of confidence in the security of our solutions could have a material adverse effect on our business, result of operations and financial condition
Ex. 162, CDK-1202029 (excerpt) at 055, 057.
RESPONSE: Undisputed.
155. On October 1, 2014, ADP announced that it had completed its spinoff of CDK. <i>Se</i>
Ex. 85, (Press Release, "ADP Completes Spinoff of CDK Global").

RESPONSE:	Objected t	to and d	isputed in	n part.	Undisputed	as to	the fi	rst s	sentence
156.									
157.									
137.									



158. Secu	rityFirst was publicly announ	iced in June 2015. Ex. 44	4, PX 1563 (CDK-
	nswer to CDK Counterclaims		com admits that, in
June 2015, CDK ar	nnounced a strategy it marketed	as 'Security First.'").	

RESPONSE : Disputed in part. Undisputed as to the first sentence.
159. CDK did not begin implementing security measures designed to prevent access to
its DMS until March 2016.
RESPONSE : Disputed in part. Undisputed that CDK did not begin using technologica measures to block independent integrators until March 2016.
measures to block independent integrators until March 2010.

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	RESPONSE:
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	RESPONSE: Undisputed.
	REST ONSE. Chaispated.
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RESPONSE: Undisputed.

164.			
165.			

RESPONSE: Undisputed.

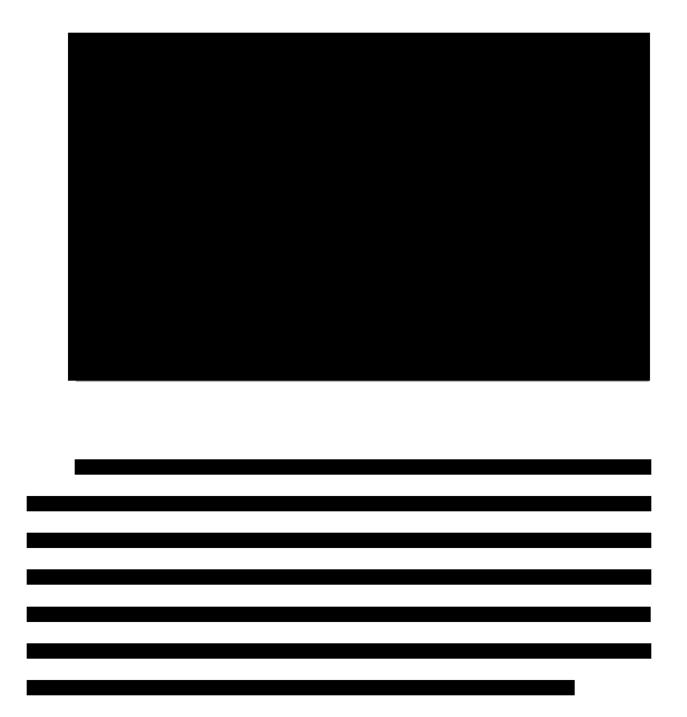
166. In addition to CDK and Reynolds, other DMS providers including Dealertrack, Auto/Mate, Autosoft, DealerBuilt, and Dominion Dealer Solutions compete for franchised automobile dealers. Ex. 105, R. Lamb Decl. [Auth. Dkt. 98] ¶¶ 7-8.

	RESPONSE :	Disputed in part.	Undisputed	that the liste	ed DMS pro	viders comp	ete fo
franchi	ised automobil	e dealers.					
	167.						

168.	
	-
RESPONSE:	

169.		
170.		
170.		

Case: 1:18-cv-00864 Document #: 1162 Filed: 09/08/20 Page 156 of 180 PageID #:87366



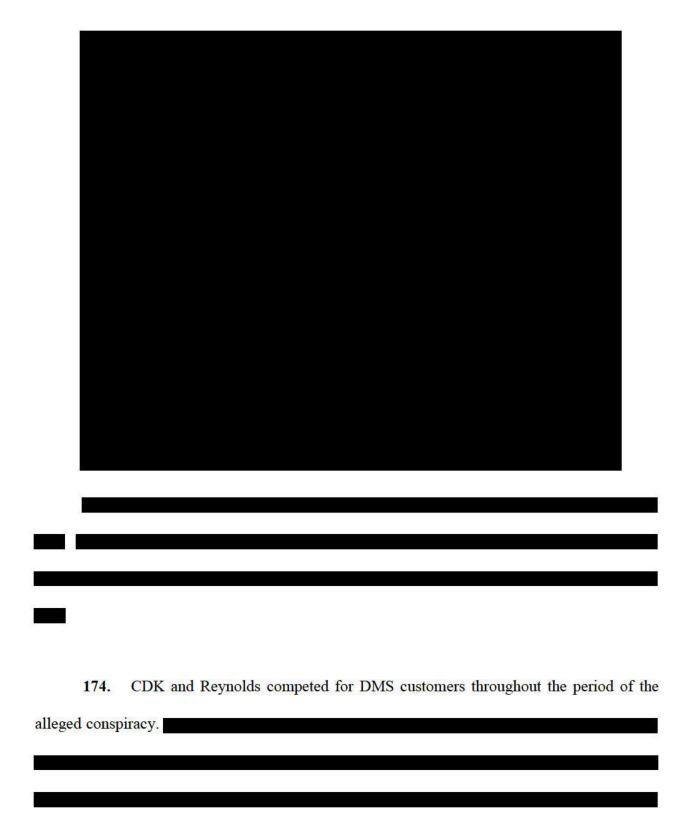


171.			

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175.	DMS providers offer discounts, training, and transition support to win business.
177	Many declare having an extinctor acceptating with their existing DMC anacides and
176. ing pro	Many dealers begin proactively negotiating with their existing DMS provider and oviders a year or more before the end of their current DMS contract.
 81	

4.5.5			
177.			
RESPONSE: Ur	ndisputed.		
178.			

Cox also provides an online calculator for dealers to calculate
their integration fees and how much they could save by switching to Dealertrack. See Ex. 8
(https://cloud.e.dealertrack.com/calculator).
RESPONSE:
Undisputed that Cox also provides an online calculator for dealers to calculate the
integration fees and how much they could save by switching to Dealertrack.
179.

180.	
RESPONSE:	
RESI ONSE.	
	

negotiations, including the Gillrie Institute, David Brookshire, and others

Dealerships often hire third-party consultants that specialize in DMS contract

181.

182.			

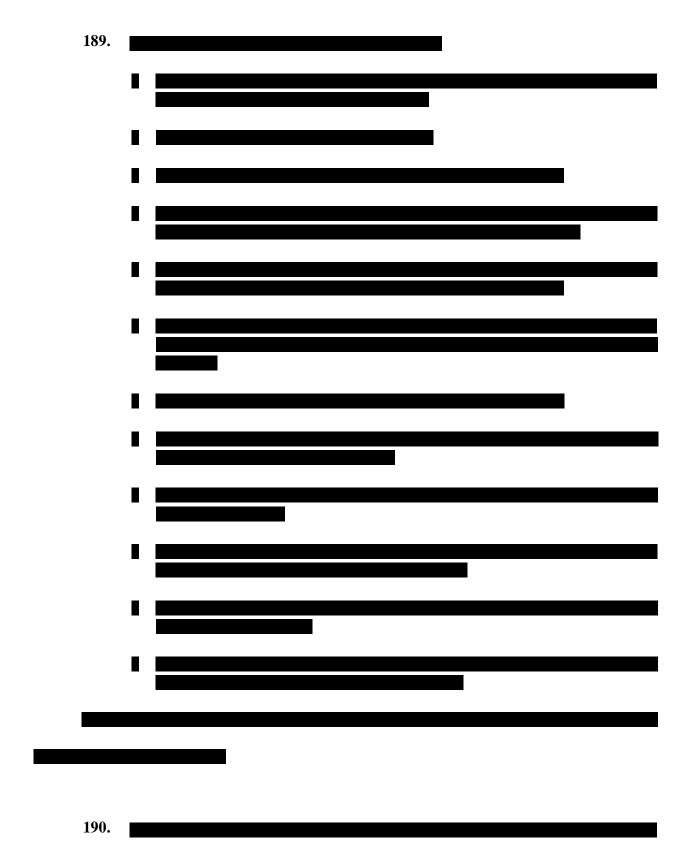
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RESPONSE: Undisputed.

194. CDK and Reynolds witnesses consistently testified under oath that they did not enter into the alleged conspiratorial agreements on behalf of their respective companies and had no knowledge of any such agreements. Ex. 296, Ayotte Tr. 344:21-23; Ex. 299, Brockman Tr. 348:10-351:9; Ex. 302, Burnett (Individual) Tr. 348:2-352:14; Ex. 305, Conver Tr. 422:3-423:14; Ex. 308, Distelhorst Tr. 352:7-353:7; Ex. 309, Douglas Tr. 287:13-288:21; Ex. 312, French Tr. 375:9-377:3; Ex. 313, Gardner Tr. 635:23-637:21; 639:15-640:2; 642:20-643:13; 650:18-651:22; 653:3-7; 653:18-24; Ex. 314, Gerlich Tr. 281:21-282:16; Ex. 315, Graham Tr. 333:16-335:12; Ex. 316, Hall 30(b)(6) (Reynolds) Tr. 225:22-227:2, 228:8-24, 233:5-15; Ex. 292, Hellyer Tr. 335:10-336:21; Ex. 319, Herbers Tr. 309:13-310:22; Ex. 320, Hill (Individual) Tr. 19:11-13, 58:19-23, 59:15-20; Ex. 325, Joza Tr. 302:19-303:13; Ex. 326, Karp Tr. 395:21-396:13; Ex. 328, Lamb Tr. 340:6-343:7; 348:25-349:23; 351:17-353:2; Ex. 331, Martin Tr. 319:20-321:5; Ex. 333, McCray Tr. 65:6-8; 70:17-73:8; 111:5-112:4; 285:10-15; 286:14-19; 317:9-319:1; Ex. 339, Noser Tr. 299:14-301:21; Ex. 342, Quinlan Tr. 258:8-260:4; Ex. 346, Schaefer (Day 1) Tr. 270:18-271:2, 279:10-279:14; Ex. 347, Schaefer (Day 2) Tr. 306:10-308:4, 311:18-312:22; Ex. 349, Sowers Tr. 235:2-237:2; Ex. 352, Strawsburg Tr. 147:11-149:3; 219:13-21; Ex. 354, Thorne Tr. 364:23-368:3; Ex. 97, Witt Tr. 258:13-260:22; Ex. 103, Workman Tr. 323:19-326:10.

RESPONSE: Objected to and disputed in part. Undisputed that Defendants' witnesses (aided by questions from Defendants' counsel on re-direct) gave conclusory denials of the existence of a conspiracy not to compete on DMS openness and to block independent integrators.

Disputed that such self-serving, conclusory denials are probative of whether a conspiracy actually existed. Further disputed insofar as those denials contradict the evidence showing that there was a conspiracy between CDK and Reynolds to block data integrators, including specifically Authenticom. PJ SAF ¶¶ 35-46, 49-51, 53-54.

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Dated: July 28, 2020

/s/ Peggy J. Wedgworth

Peggy J. Wedgworth

MILBERG PHILLIPS GROSSMAN LLP

One Pennsylvania Plaza, 19th Floor New York, NY 10119 (212) 594-5300 pwedgworth@milberg.com Respectfully submitted,

/s/ Derek T. Ho

Derek T. Ho

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MDL Co-Lead Counsel

CERTIFICATE OF SERVICE

I, Peggy J. Wedgworth, an attorney, hereby certify that on September 8, 2020 I caused a true and correct copy of the foregoing MDL PLAINTIFFS' CORRECTED RESPONSES TO DEFENDANTS CDK GLOBAL, LLC'S AND THE REYNOLDS AND REYNOLDS COMPANY'S JOINT STATEMENT OF COMMON UNDISPUTED MATERIAL FACTS IN SUPPORT OF THEIR MOTIONS FOR SUMMARY JUDGMENT to be filed and served electronically via the court's CM/ECF system. Notice of this filing will be sent by e-mail to all parties by operation of the Court's electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties may access this filing through the Court's CM/ECF system. Copies of the Under Seal filing were served on counsel of record via email.

/s/ Peggy J. Wedgworth

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